

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:4990
ANSWERED ON:20.12.2002
LOSS OF WTO CASE AGAINST EU
M. JAGANNATH

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

:

- (a) whether attention of the Government has been drawn to the newsitem captioned 'India losses WTO case against European Union' appeared in the 'Indian Express' dated November 6, 2002;
- (b) if so, the details of the facts of the matter reported therein;
- (c) the methods proposed to be adopted by the Government concerning such WTO related cases in future;
- (d) whether any detailed study has been undertaken in this regard; and
- (e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) to (e) : India had resorted to World Trade Organization's (WTO) Dispute Settlement Mechanism and challenged the anti dumping duty imposed by European Communities (EC) on imports of bed linen from India. On 12 March 2001 the Dispute Settlement Body (DSB) adopted the Appellate Body Report and the Panel Report as modified by the Appellate Body, in this dispute. These Reports concluded that the EC's imposition of definitive anti-dumping duties on imports of cotton-type bed linen from India had been inconsistent with the Anti-dumping Agreement. Pursuant to the recommendations of these Reports, the DSB requested the European Communities to bring its measure into conformity with its obligations under the Anti-dumping Agreement. Subsequently EC undertook a review of the anti-dumping measure and re-determined the level of anti-dumping duty. However, the application of the duty was suspended. India strongly disagreed with the re-determination and at its request a Compliance Panel had been constituted to examine the consistency of measures taken by EC in compliance with the decision of the DSB in the original bed linen dispute with EC. The Compliance Panel has concluded that EC has implemented the recommendations of the DSB in the original bed linen dispute. The Compliance Panel Report would be adopted by the DSB unless a party to the dispute decides to appeal the report or the DSB decides by consensus not to adopt the Report. The Government is considering the future course of action in this dispute in accordance with the rules of the WTO.

In respect of the disputes in which the DSB has adopted the panel and Appellate Body reports, India has won 5 cases and also lost 5 cases. In one case India requested termination of the panel proceedings in light of the removal by the United States of the disputed safeguard measure. Government has been pursuing WTO cases in coordination with concerned administrative Ministries, Department of Legal Affairs and the legal experts engaged for the disputes. For each dispute a lawyer is appointed with the prior approval of Department of Legal Affairs. Where necessary an experienced foreign lawyer is also appointed with the approval of the Department of Legal Affairs.